ESTTA Tracking number:

ESTTA278235 04/15/2009

Filing date:

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Petition for Cancellation

Notice is hereby given that the following party requests to cancel indicated registration.

Petitioner Information

Name	Jonathan J Benson		
Entity	Individual	Citizenship	UNITED STATES
Address	11115 Fairfax Court Thornton, CO 80233 UNITED STATES		

	Roadsideimports LLC 11115 Fairfax Court Thornton, CO 80233
	UNITED STATES roadsideimports@yahoo.com Phone:775-655-3958

Registration Subject to Cancellation

Registration No	1154620	Registration date	05/19/1981
Registrant	BENCHMADE KNIFE COMPA 300 BEAVERCREEK RD. OREGON CITY, OR 97045 UNITED STATES	ANY, INC.	

Goods/Services Subject to Cancellation

Class 008. First Use: 1979/07/05 First Use In Commerce: 1979/07/05
All goods and services in the class are cancelled, namely: Knife where Handle Revolves Around the Blade

Grounds for Cancellation

Immoral or scandalous matter	Trademark Act section 2(a)
The mark comprises matter that, as a whole, is functional	Trademark Act section 2(e)(5)
Genericness	Trademark Act section 23
Violates the provisions of Trademark Act § 4	Trademark Act § 4 (collective and certification marks)

Attachments	TTABAppeal.pdf (22 pages)(2364913 bytes)

Certificate of Service

The undersigned hereby certifies that a copy of this paper has been served upon all parties, at their address

record by First Class Mail on this date.

Signature	/Jonathan Benson/
Name	Jonathan J Benson
Date	04/15/2009

1. I am asking the Appeal Board for the following:

To expunge the registration of the trade-mark BALI-SONG (serial 73235045 - registration 1154620) in association with "pocket knives, namely butterfly knives, based on its prior use and generic term "balisong". The trade-mark registration is plainly invalid for Genericness.

2. I am asking the Appeal Board for these requests because:

The mere use of "balisong" as appears in the caption of the federal court case *United States v. 1,044 Balisong Knives*, Civ. Action No. 70-110 (D. Ore. Sept. 28, 1970) (decided almost nine years before the alleged date of first use in commerce of U.S. Trademark Registration No. 1,154,620, obtained at some time in the past by Benchmade from Bali-Song, Inc., the absence of any mention of which in Benchmade's complaint being rather curious) or in any of the multitude of subsequent court decisions referring to balisongs. Right? If I am mistaken, please direct me to the web page at issue where you find BALI-SONG to be improperly used instead of the generic term balisong.

"Balisong" is a Barrio in Batangas Philippines, the home of the original Balisong. Balisong, as history tells us, traces it's ancestry to as far back as 800 A.D., as one of the ancient weapons of the mystic art of the Malaya-Polynesian fighting systems -- Kali.. It is not clear whether the Balisong knife took its name from it's birthplace, Barrio Balisong in the province of Batangas, Philippines (as some claim) or the barrio itself took its name from the knife, which has been made there since time immemorial.

While the meaning of the term "balisong" is not entirely clear, a popular belief is that it is derived from the Tagalog Language words *baling sungay*.

Balisong, literally means "broken horn", from the two words "bali" (which means "to break") and "sung" (which means "horn"). It is not incidental, therefore, that the original Balisong knives have handles carved out of animal horns.

A "balisong", otherwise known as a butterfly knife or a Batangas knife, is a Philippine folding pocket knife with two handles counter-rotating around the tang such that, when closed, the blade is concealed within grooves in the handles.

3. I am asking the Appeal Board for the following:

To expunge the registration of the trade-mark BALI-SONG (serial 73235045 - registration 1154620) Violates on grounds of Immoral and Scandalous Matters

4. I am asking the Appeal Board for these requests because:

The BALI-SONG trademark is used in unfair competition and unsound lawsuits to force knife sellers and knife makers to pay compensation to Benchmade Knife Company whom is the BALI-SONG trademark holder.

Benchmade claims that the mere use of the word "balisong" infringes on the trademark name of "BALI-SONG" This is evident in the court case against me Civil Case No. CV 08-00967-HA. The charges claim that no one is allowed to use the word "balisong" because "It is likely to cause confusion and constitutes intentional passing off and unfair competition"

I would like to ask the Appeal Board how can the use of a word that is generic and is a functional word that accurately describes a particular knife style be deemed as "UNUSABLE"?

I got lawyer representation and Benchmade offered a settlement of extortion in my opinion telling me I no longer was allowed to use the word "Balisong" and that I must disclose all my customer information on the purchases of balisong knives to their company.

I spent \$15,000 on a lawyer to defend my position against the allegations of misuse of the word "balisong" and Benchmade dropped all communication with my lawyer and forced a trial procedure. I lost my lawyer do to financial ruin because of this matter. I wrote to the court for Pro-Bono and was granted this matter.

I became angry about this matter and I posted a video on YouTube explaining how and what to do if Benchmade attacked other sellers of "balisong" knives online and posted the information about filing a TTAB hearing.

1 week to the date after the posting of the video and disclosing the information to the general public. Benchmade amended the lawsuit against me making false claims "To streamline the lawsuit, plaintiffs are withdrawing their trademark infringement, unfair competition and dilution with respect to plaintiffs' registered trademarks BALI-SONG"

This is not acceptable behavior because Benchmade forced me to spend \$15,000 defending myself against the use of the word "balisong" they pressed the issue forcibly and would not settle but once I posted video content to the general public this matter was then simply dropped?

The fact should be that the Appeal Board should not allow such reckless behavior and cost the court system and the American tax payers thousands of dollars in frivolous lawsuits on such a generic term.

5. I am asking the Appeal Board for the following:

To expunge the registration of the trade-mark BALI-SONG (serial 73235045 - registration 1154620) Violates the provisions of Trademark Act

6. I am asking the Appeal Board for these requests because:

"trademark" is defined as a mark used or proposed to be used on or in connection with goods distinguishing them from those manufactured or sold by others.

trade · mark

- 1. any name, symbol, figure, letter, word, or mark adopted and used by a manufacturer or merchant in order to designate his or her goods and to distinguish them from those manufactured or sold by others. A trademark is a proprietary term that is usually registered with the Patent and Trademark Office to assure its exclusive use by its owner.
- 2. a distinctive mark or feature particularly characteristic of or identified with a person or thing.

BALI-SONG is a word that has been hyphenated. The trademark is deceptive in nature. The word "MILK" is a defined word and is generic and therefore "MI-LK" can not be a registered trademark to deceive and give unfair advantage to other sellers of "MILK" products.

- 26. Benson's advertising and sale of a knife under the name "Benchlite" that is identical in appearance and function to Benchmade's BENCHMITE® is intentional passing off and unfair competition.
- 27. Benson also sells multiple butterfly knives on his assistedknives.com website using the term "Balisong."
- 28. Some of the butterfly knives sold by Benson are similar to the butterfly knives sold by Benchmade under its BALI-SONG® mark.
- 29. Benson's use of Balisong infringes Benchmade's trademark rights in its registered trademarks for BALI-SONG® and BALI-SONG and Butterfly Logo®.
- 30. Benson's sale of butterfly knives similar to Benchmade's BALI-SONG® knives under the name "Balisong" is likely to cause confusion and constitutes intentional passing off and unfair competition.
- 31. On his assistedknives.com website, Benson represents that "I'M NOW YOUR AUTHORIZED BENCHMADE DEALER." This statement is false and misrepresents the nature of the respective businesses of Benson and Benchmade.
- 32. Upon information and belief, the Benchlite knife sold by Benson is made in China.
- 33. Benchlite knives purchased from Benson are packaged in boxes bearing the legend: "U.S.A. STAINLESS STEEL KNIFE."
- 34. Providing knives made in China in a box bearing "U.S.A. STAINLESS STEEL KNIFE" constitutes false advertising.
- 35. Using facsimiles of Benchmade's registered trademarks, Benson sells knives in competition with Benchmade.

PAGE 5 - COMPLAINT FOR PATENT AND TRADEMARK INFRINGEMENT; JURY DEMAND



Law Offices

CHERNOFF, VILHAUER, McClung & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

601 S.W. Second Avenue Suite 1600 Portland, Oregon 97204-3157 Telephone: 503-227-5631 Fax: 503-228-4373

Email: pete@chernofflaw.com

September 24, 2008

* Susan D. PITCHFORD
* I. DOUGLAS WELLS

* REGISTERED PATENT ATTORNEY

DAVID S. FINE SENIOR LAW CLERK JAY SMITH-HILL PATENT AGENT

* Brenna K. Legaard Daniel P. Chernoff (1935-1995)

* JACOB E. VILHAUER, JR.

* CHARLES D. McClung

* DENNIS E. STENZEL

* Donald B. Haslett

* I. PETER STAPLES

* WILLIAM O. GENY

* KEVIN L. RUSSELL

* TIM A. LONG

* KURT ROHLES

* Nancy J. Moriarty

Via Email to <u>Ferber@ferberchan.com</u> Confirmation via Fax to 1-212-944-7630

David I. Ferber, Esq. Ferber Chan Essner & Coller, LLP 530 Fifth Avenue 23rd Floor New York, NY 10036

Re: BENCHMADE AND MENTOR V.

JONATHAN A. BENSON, DBA

ROADSIDE IMPORTS, USDC, District of

Oregon, Case No. CV 08-967-HA Our File Reference: 3446.0180

Dear David:

I appreciate our frank discussion last week. Plaintiffs Benchmade Knife Co., Inc. ("Benchmade") and Mentor Group, LLC ("Mentor") are willing to attempt to settle their pending lawsuit against Jonathan Benson by means of informal discovery, a final judgment on consent, payment to Benchmade and Mentor, and a written settlement agreement. However, doing so will require substantially unconditional cooperation by Mr. Benson. If he is unwilling to provide the information, money and assurances required by plaintiffs, he is welcome to file an Answer and litigate this suit on its merits.

Among the things Benchmade and Mentor will require from Mr. Benson are:



David I. Ferber, Esq. September 24, 2008 Page 2

- 1. Acknowledgment in a final judgment on consent and a written settlement agreement that:
 - (a) Benchmade's trademark registration for BALI-SONG® is valid and infringed;
 - (b) Benchmade's trademark registration for BALI-SONG® and Butterfly Design® is valid and infringed;
 - (c) Benchmade's trademark registration for BENCHMADE® is valid and infringed;
 - (d) Benchmade's trademark registration for BENCHMITE® is valid and infringed;
 - (e) Mentor's '832 patent is valid and infringed;
 - (f) Mentor's '484 patent is valid and infringed;
 - (g) Mr. Benson's representation that he is an authorized Benchmade dealer is false and he knew that it was false at the time it was made; and
 - (h) that the Benchlite knife sold by Mr. Benson is made in China and that he has misrepresented its country of origin by providing the knife in a box bearing "U.S.A. Stainless Steel Knife."
 - 2. Consent to an injunction against:
 - (a) using BALI-SONG® or any marks, names or terms confusingly similar thereto;
 - (b) using Benchmade's Butterfly Design or any design confusingly similar thereto;
 - (c) using BENCHMADE® BENCHMITE® or "Benchlite" or any marks, names or terms confusingly similar thereto;



David I. Ferber, Esq. September 24, 2008 Page 3

- (d) selling the Benchlite product or any other knife or device that infringes the Mentor patents listed in the complaint;
- (e) representing himself as an authorized dealer of BENCHMADE® products;
 - (f) misrepresenting the country of origin of products; and
- (g) referring to Mentor, Benchmade, their products, or the lawsuit in any fashion.
- 3. Complete information about the source of the Benchlite product including the manufacturer and all persons in the distribution chain.
- 4. An accounting of all Benchlite sales and an identification of all purchasers of the Benchmite product.
 - 5. An accounting of all sales of butterfly knives.
 - 6. An agreement to cease selling conversion kits for Bokker and Magnum knives.¹
- 7. An agreement to cease demonstrating, facilitating, or assisting in the conversion of a Bokker or Magnum knife to an automatic knife.
- 8. All information about the source and quantity of the Bokker and Magnum knives sold by Benson and the source and quantity of the conversion kit(s) which converts these knives to automatic knives.
- 9. Complete information about all purchasers of conversion kit's for Bokker and Magnum knives.

Mentor owns U.S. Patent No. 5,822,866 for a "safety" on an automatic knife. Bokker and Magnum knives have such a safety, but the knives are not sold in this country as automatic knives. Converting a Bokker or Magnum knife having a safety mechanism into an automatic knife as demonstrated by Mr. Benson on his website is patent infringement. Showing others how to make the conversion and selling conversion kits is contributory infringement or inducement of infringement. We did not include a claim for patent infringement of the '866 patent in the complaint because we did not know whether Mr. Benson was aware of the patent. He is now aware of the patent, and further sale of conversion kits or demonstration of conversions on his website will be cause for additional claims for patent infringement.



David I. Ferber, Esq. September 24, 2008 Page 4

10. Payment to Benchmade in the amount of \$15,000.

As of September 22, 2008, Mr. Benson was still using Benchmade's BALI-SONG® trademark, still selling conversion kits, and still demonstrating conversions of Magnum and Bokker knives to automatic knives. Unless Mr. Benson ceases these activities immediately, plaintiffs will withdraw from settlement discussions and amend the complaint to add claims for infringement of U.S. Patent No. 5,822,866.

Please provide us with Mr. Benson's response to these demands by October 6, 2008.

Sincerely

Peter Staples

JPS:bd

cc:

Benchmade Knife Company, Inc.

(via email only)

cc:

Mentor Group, L.L.C. (via email only)

Schechter, Peter

From: J. Peter Staples [pete@chernofflaw.com]

Sent: Monday, October 06, 2008 5:50 PM

To: Schechter, Peter

Subject: RE: Extension of deadline

Peter:

Please refer to page 4 of my September 24 letter to David Ferber. As of today, Mr. Benson is stilling using Benchmade's registered BALI-SONG trademark, still selling switchblade conversion kits for Magnum and Bokker knives, and still demonstrating how to convert Bokker and Magnum knives to automatic knives. If Mr. Benson still has these items on his website Friday, Benchmade will not engage in settlement discussions and will expect a prompt answer to its complaint.

Pete

From: Schechter, Peter [mailto:PSchechter@eapdlaw.com]

Sent: Monday, October 06, 2008 12:14 PM

To: J. Peter Staples

Subject: Extension of deadline

Dear Mr. Staples:

As I said in the brief conversation, we have just today been retained by Jonathan Benson to resolve the dispute set out in the complaint in Benchmade and Mentor v. Benson dba Roadside Imports. I asked for, and you agreed to, a few days to look this new matter over and get back to you, for which I thank you. I'll let you know our position on Friday.

Very truly yours,

Peter C. Schechter
Edwards Angell Palmer & Dodge LLP
750 Lexington Avenue
New York, New York 10022

Office: 212.912.2934 Fax: 866.492.3146 Mobile: 914.260-2314

UK Mobile: 44 (0)77 7253 4864 pschechter@eapdlaw.com

We are pleased to announce that Edwards Angell Palmer & Dodge merged with the London law firm of Kendall Freeman on January 1, 2008.

Save a tree...please don't print this e-mail unless you really need to

Boston MA, Ft. Lauderdale FL, Hartford CT, Madison NJ, New York NY, Providence RI, Stamford CT, Washington DC, West Palm Beach FL, Wilmington DE, London UK

CONFIDENTIALITY NOTICE

This e-mail message from Edwards Angell Palmer & Dodge LLP and Edwards Angell Palmer & Dodge UK LLP is

10/7/2008

EDWARDS ANGELL PALMER & DODGE LEP

750 Lexington Avenue New York, NY 10022 212.308.4411 fax 212.308.4844 eapdlaw.com

Peter C. Schechter 212.912.2934 fax 866.492.3146 pschechter@eapdlaw.com

October 8, 2008

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP 601 S.W. Second Avenue Suite 1600 Portland, Oregon 97204-3157

Re: Benchmade and Mentor v. Benson dba Roadside Imports

Dear Pete:

Thank you for your email earlier today.

After having just the briefest opportunity to look into this matter, I must admit to some confusion of my own.

In your email, you state that "[a]s of today, Mr. Benson is stilling using Benchmade's registered BALI-SONG trademark." I looked myself and, frankly, cannot find even a single instance of such use, other than as seen in photographs of actual, genuine Benchmade products, and in metadata to enable website visitors to find Benchmade's products. If you type the term "Bali-Song" into the website's search facility, you will see that only Benchmade products are returned.

Surely you do not mean to say that Mr. Benson is still using the generic term "balisong" (its genericness being amply shown in the attached few examples of many more such examples of the generic use of that term), for he most certainly is doing so, but we cannot imagine that your clients would have any real concern about it. Surely you do not mean to say that there is anything wrong or unlawful in Mr. Benson's mere use of "balisong" to describe the category or type of knife, in the same manner as that term appears in the caption of the federal court case *United States v. 1,044 Balisong Knives*, Civ. Action No. 70-110 (D. Ore. Sept. 28, 1970) (decided almost nine years before the alleged date of first use in commerce of U.S. Trademark Registration No. 1,154,620, obtained at some time in the past by Benchmade from Bali-Song, Inc., the absence of any mention of which in Benchmade's complaint being rather curious), or as that term appears in any of the multitude of subsequent federal and state court decisions referring to balisongs. Right? If I am mistaken, please direct me to the web page at issue where you find BALI-SONG to be improperly used instead of the generic term balisong. Mr. Benson is quite willing to correct any such inadvertent mistakes.

Of course, Mr. Benson has no desire to improperly use your client's registered word mark BALI-SONG, i.e., the hyphenated trademark, despite our conclusion that the registration is plainly invalid for genericness, the hyphen notwithstanding. However, if we cannot amicably resolve the dispute, we will be happy to test our conclusion in TTAB cancellation proceedings, as well as in the district court.

EDWARDS ANGELL PALMER & DODGE 11.P.

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP October 8, 2008 Page 2

Similarly, despite my best effort, which I acknowledge might have been less than thorough given the time pressure involved, I also cannot find any use of the BALI-SONG AND DESIGN trademark other than in connection with Mr. Benson's offer for sale of genuine Benchmade products on which the mark appears. Again, please direct me to any use on the website that you believe is improper. If there is such improper use, then Mr. Benson will undoubtedly certainly agree to cease such use immediately.

Apart from the questions regarding possible infringement and related causes for the accused Benchlite knife, Mr. Benson has already removed the item from his offerings, and is further willing to disclose to Benchmade the suppliers for the Chinese-origin knife, which has never been advertised nor shipped in any boxes indicated any other country of origin, the allegation in the complaint notwithstanding. You should be aware of the fact that a grand total of fifteen (15) pieces were sold in eleven (11) sales. He is further willing to permanently discontinue advertising and sale of that particular knife, even though Mr. Benson believes that the Chinese-made Benchlite knife is also being sold by authorized Benchmade dealers, along with the Benchmade Benchmite knife.

Speaking of "Authorized Benchmade Dealers," Mr. Benson's website typically incorporates the descriptive material from the websites of his suppliers, and thus the inclusion of the words "Authorized Benchmade Dealer" were inadvertently included in the advertisement for a single, particular knife, i.e., the Mini-Reflex. Given the location and use of the words, we do not believe that anyone could have reasonably been confused or misled into believing that Mr. Benson was actually stating or representing that he is/was an Authorized Benchmade Dealer. In any event, this particular ad has already been removed. If you are aware of more than one single isolated appearance of the words "Authorized Benchmade Dealer" anywhere in Mr. Benson's website, please let me know and all such identified appearances will be immediately corrected.

Regarding patent infringement, Benchmade's complaint alleges only that the Benchlite knife infringes Mentor's '832 and '484 patents. As I've already said, Mr. Benson has already stopped advertising and selling, and is willing to permanently drop this "hot seller." Thus, alleged infringement of those two patents ought to be considered easily resolved. However, in your September 24 letter to David I. Ferber, Esq., you also assert that "Bokker and Magnum" knives, when converted into automatic knives as allegedly demonstrated by Mr. Benson on his website, would infringe Mentor's '866 patent. We assume that you are referring to conversion of the BOKER MAGNUM knife, a design that we understand has been available since the early 1980's and, thus, one which you might want to think again about charging as infringing a patent whose earliest effective filing date is in 1997. Your reference to "Bokker and Magnum knives" also gives us some pause as it suggests something less than proper due care in formulating your infringement contentions.

Our client is interested in reasonably resolving this matter. The terms stated in your September 24, 2008 letter to Mr. Ferber are unreasonable under the circumstances and are rejected. This letter outlines what Mr. Benson is willing to do, and he is willing to do so in the context of a contractual settlement agreement. There will be no consent order on consent. If this is not enough, and if your client is interested and willing to litigate a TTAB cancellation proceeding as well as pursue a case for damages

EDWARDS ANGELL PALMER & DODGE 1LP

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP October 8, 2008 Page 3

based on the sale of fifteen knives, let me know and the answer will be prepared and filed, serving no one's interests but the litigation lawyers. Otherwise, please forward a suitable settlement agreement for our review and comment.

Regards,

Peter C. Schechter

NYC 313378.1

EDWARDS ANGELL PALMER & DODGE LEP

750 Lexington Avenue New York, NY 10022 212.308.4411 fax 212.308.4844 eapdlaw.com

Peter C. Schechter 212.912.2934 fax 866.492.3146 pschechter@eapdlaw.com

October 8, 2008

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP 601 S.W. Second Avenue Suite 1600 Portland, Oregon 97204-3157

Re: Benchmade and Mentor v. Benson dba Roadside Imports

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J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP October 8, 2008 Page 2

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J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP October 8, 2008 Page 3

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Regards,

Peter C. Schechter

NYC 313378.1

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750 Lexington Avenue New York, NY 10022 212.308.4411 fax 212.308.4844 eapdlaw.com

Peter C. Schechter 212.912.2934 fax 866.492.3146 pschechter@eapdlaw.com

October 20, 2008

Via email only

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP 601 S.W. Second Avenue Suite 1600 Portland, Oregon 97204-3157

Re: Benchmade and Mentor v. Benson dba Roadside Imports; Your ref: 3446.0180

Dear Pete:

Thank you for your October 17, 2008 offer of compromise. As I view this sort of work, if we can't entertain each other in this process, why bother? So far, we seem to be doing a reasonable job.

My client appreciates your client's dropping of every one of its demands concerning its BALI-SONG trademark, its "Butterfly Design" and "butterfly" knives, apparently in response to my October 8 letter. (By the way, I certainly did note paragraphs 61, 66, 97, 101, 110 and 129 of the Complaint, as well as every other paragraph. My question, however, was whether you actually meant it, in light of history and Rule 11, Fed. R. Civ. P. Given the absence of any more demands on that score, I can only assume that the answer is "no," i.e., you did not actually intend to assert in the Complaint that your client owns rights in the generic word "balisong" or the trivially different and commercially identical word "bali-song." Perhaps you were simply unaware of the meaning of the word when you drafted the pleading, or your own client's actually proper use of its own registered, but nonetheless invalid (for genericness – a defense unaffected by incontestability, as you know) mark as a noun at:

http://www.benchmade.com/about_knives/locking_mechanisms.asp.

Fair enough. There is common ground underfoot, and not just because we are both members of the fraternity of anglers.)

As far as the Boker Kalashnikov knife is concerned, your reference to "Bokker and Magnum" knives was so clearly a mistake that I simply invited you tell me what you did, in fact, mean to say, as you've now done.

I take it from your letter that you have not found even one additional appearance of the words "Authorized Benchmade Dealer" anywhere in the Roadside Imports website, the inadvertent one you complained of having previously been removed. I also take it that you no longer find any mention of the Benchlite knife on the website, either.

EDWARDS ANGELL PALMER & DODGE LLP

J. Peter Staples, Esq. Chernoff, Vilhauer, McClung & Stenzel, LLP October 20, 2008 Page 2

I agree with you that someone is misleading somebody as to the shipping of Chinese-made knives in "made in USA" boxes. More common ground. We just disagree on who that person is. In any event, no Benchlite knives of any origin are being shipped anymore, as I previously you.

We will make a final decision on what to do about your client's patents shortly.

Benson is not a willful actor and has already remedied your reasonable demands, the sole exception being the patent issues still being considered. Under separate cover and later this week, I'll send a draft settlement agreement for your review. There's no backing off possible on the refusal to take a consent judgment. That's a deal-breaker here; Benson will not voluntarily submit to the contempt power of the district court, regardless of what he is willing to agree and be contractually bound to, and which contract obligations he would respect and perform fully.

Finally, on a much more important matter, I've fished for sturgeon on your Columbia River, too, and hope to try again someday, as my only catch-and-release was of a rather unimpressive youngster, smaller even than some of the stripers we now regularly haul out of the Hudson during the Spring spawning run.

Regards,

Peter C. Schechter

NYC 314067.1

- 26. Benson's advertising and sale of a knife under the name "Benchlite" that is identical in appearance and function to Benchmade's BENCHMITE® is intentional passing off and unfair competition.
- 27. Benson also sells multiple butterfly knives on his assistedknives.com website using the term "Balisong."
- 28. Some of the butterfly knives sold by Benson are similar to the butterfly knives sold by Benchmade under its BALI-SONG® mark.
- 29. Benson's use of Balisong infringes Benchmade's trademark rights in its registered trademarks for BALI-SONG® and BALI-SONG and Butterfly Logo®.
- 30. Benson's sale of butterfly knives similar to Benchmade's BALI-SONG® knives under the name "Balisong" is likely to cause confusion and constitutes intentional passing off and unfair competition.
- 31. On his assistedknives.com website, Benson represents that "I'M NOW YOUR AUTHORIZED BENCHMADE DEALER." This statement is false and misrepresents the nature of the respective businesses of Benson and Benchmade.
- 32. Upon information and belief, the Benchlite knife sold by Benson is made in China.
- 33. Benchlite knives purchased from Benson are packaged in boxes bearing the legend: "U.S.A. STAINLESS STEEL KNIFE."
- 34. Providing knives made in China in a box bearing "U.S.A. STAINLESS STEEL KNIFE" constitutes false advertising.
- 35. Using facsimiles of Benchmade's registered trademarks, Benson sells knives in competition with Benchmade.

PAGE 5 - COMPLAINT FOR PATENT AND TRADEMARK INFRINGEMENT; JURY DEMAND

. Patent Infringement

Plaintiffs seek to amend their claim of infringement of the '866 patent by more specifically describing the infringing acts and the infringing items. Plaintiffs have recently obtained and had the opportunity to examine automatic knives of the type sold by defendants and can now make good faith allegations that such knives, or similar knives, infringe the '866 patent.

c. The BALI-SONG Trademarks

To streamline the lawsuit, plaintiffs are withdrawing their claims of trademark infringement, unfair competition and dilution with respect to plaintiffs' registered trademarks BALI-SONG® and BALI-SONG and Butterfly Design®.

III. AMENDING THE CLAIMS TO MAKE THEM MORE SPECIFIC IS APPROPRIATE AND WILL NOT PREJUDICE DEFENDANTS.

- a. Except for a single letter to the Court requesting pro bono counsel (unsigned with no return address) defendants have not responded to the First or Second Amended Complaints. Defendants have refused to respond to communications from plaintiffs. It is possible that plaintiffs will be forced to move for a default judgment. Since the relief available in a default judgment is limited by the complaint and prayer in order for plaintiffs to obtain the relief to which they are entitled, the complaint should be as specific as possible. Pursuant to Rule 15(a), Fed.R.Civ.P., the Court shall freely give leave to file an amended complaint when justice so requires. In this case, justice requires that plaintiffs be afforded the opportunity to obtain complete relief.
- b. Defendants have not responded to the Second Amended Complaint and will not be prejudiced.

PAGE 3 – MEMORANDUM IN SUPPORT OF MOTION FOR LEAVE FILE THIRD AMENDED COMPLAINT



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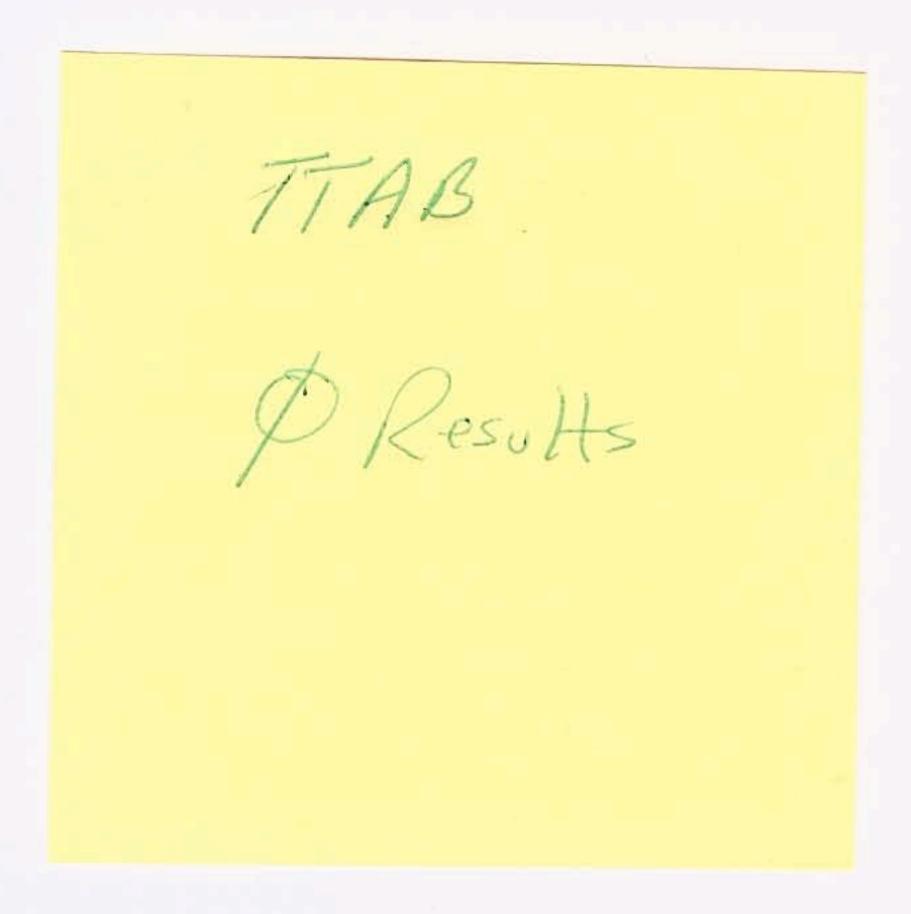
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SIDNEY I. LEZAK United States Attorney U. S. DISTRICT COURT. District of Oregon DISTRICT OF OREGON RICHARD HAMMERSLEY 3 FILED Special Assistant to the U. S. Attorney 506 U. S. Courthouse FEB 27 1970 4 Portland, Oregon 97207 226-3361, Ext. 1531 5 6 7 8 IN THE UNITED STATES DISTRICT COURT 9 FOR THE DISTRICT OF OREGON 10 UNITED STATES OF AMERICA, 11 Plaintiff, Civil No. 70- // () 12 VS. COMPLAINT FOR FORFEITURE 13 1,044 BALISONG KNIVES, more or less, 14 Defendant. 15 16 In this Complaint for Forfeiture, the United States of America, as 17 plaintiff, upon information and belief alleges as follows: 18 19 This Court has jurisdiction under 28 U.S.C. § 1355; and 19 U.S.C. 20 § 1604, as made applicable by 18 U.S.C. § 545 and 15 U.S.C. §§ 1241 and 1242. 21 II 22 This suit has been authorized and sanctioned by the Secretary of the 23 Treasury, through his duly authorized delegate, acting pursuant to authority 24 provided by 19 U.S.C. § 1602. 25 III 26 The defendant knives are switchblade knives within the meaning of 27 the Switchblade Knife Act (15 U.S.C. § 1241(b)(2)), of a value of One Thousand 28 Dollars (\$1,000.00), more or less. 29 IV 30 On or about June 9, 1969, the defendant knives were knowingly 31 introduced into interstate commerce by the principal, Coast Cutlery, Portland,

Oregon, whereupon they were seized by duly authorized agents of the Treasury

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